MINUTES - SPECIAL MEETING
SANTA MARIA CITY COUNCIL

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SANTA MARIA, CALIFORNIA

MARCH 10, 2016

Resolution No. 2016-32 of the City Council of the City of Santa Maria, California, approved the Minutes for the March 10, 2016, City Council Goal Setting Workshop. The Minutes are attached hereto and incorporated by reference.

# City of Santa Maria
# Council Workshop
# Held on March 10, 2016

March 2016

Management Partners

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# Workshop Report

The City of Santa Maria held a City Council workshop on March 10, 2016 at the Santa Maria Inn in Santa Maria from 9:00 a.m. to 3:00 p.m. The workshop provided an opportunity for City Councilmembers to discuss and agree upon Council norms, develop a consensus on priorities for the next budget cycle, receive updates on the City's financial outlook and strengthen teamwork.

Jan Perkins, Senior Partner with Management Partners, facilitated the workshop. All members of the City Council, as well as the City Manager and City Attorney, attended the entire workshop. Executive staff joined the group late morning for discussion of priorities.

The top four priorities identified by the Council were:

- Reduce gang violence
- Retrofit the old library
- Increase availability of water supplies
- Economic development and attracting higher paying jobs

The Council also agreed on three Tier 2 priorities, as follow:

- Address inadequate City facilities, specifically a sports complex
- Reduce impact of H2A housing on infrastructure and community; engage farmers and the County
- Promote a four-year university

## *Workshop Overview*

### Participants

- Alice Patino, Mayor
- Etta Waterfield, Mayor Pro Tem
- Jack Boysen, Councilmember
- Bob Orach, Councilmember
- Terri Zuniga, Councilmember

- Rick Haydon, City Manager
- Gilbert Trujillo, City Attorney
- Andrew Tse, Deputy City Manager
- Jason Stilwell, Deputy City Manager
- Rene Vise', Administrative Services Director
- Larry Appel, Community Development Director
- Scott Kenley, Interim Fire Chief
- Mary Housel, City Librarian
- Ralph Martin, Police Chief
- Steven Kahn, Public Works Director
- Alex Posada, Recreation and Parks Director
- Shad Springer, Utilities Director

## Workshop Objectives

1. Agreement on norms
2. Consensus on priorities for the next budget cycle
3. Understanding of the City's financial outlook
4. Strengthened teamwork

## Agenda

1. Welcome and introductions
2. Public comments
3. Review workshop agenda
4. Council-staff teambuilding/discussion of norms
5. Discussion of other issues suggested by Councilmembers
   - Method of budgeting
   - Joint meetings with committees/commissions
6. Celebrating our accomplishments
7. Accomplishments and Challenges
8. Discussion of priorities
9. Wrap up and next steps

## Workshop Ground Rules

At the start of the workshop, the facilitator suggested several ground rules to help the group have a successful workshop.

- Listen with respect
- Be open to new ideas
- Stay focused on the topic
- Strive for consensus
- Be present (cell phones off)

Additionally, a "bike rack" flipchart was set up to record items for follow up or issues that the group could not address over the course of the workshop for lack of time. (No items were added during the day.)

## Public Comment

City resident Manual Flores discussed his concern regarding the lack of noticing of City code compliance regulations and that the size of driveways should be addressed by the Planning Commission.

## Council Teambuilding/Discussion of Norms

Effectiveness in any group is enhanced by agreement on how people will work together. This discussion at the workshop was about norms that were set in the workshop two years ago. The results of the discussion are summarized below.

Norms are agreements on how people in a group will work together. They can be informal or formal. Every group has behaviors that either support teamwork or detract from it. Being purposeful in deciding how the Council and staff work together helps people be effective in their roles

In interviews, councilmembers expressed an interest in having a cohesive team on Council, with mutual respect of each other and of each others' roles as well as those of the City Manager and City Attorney.

In preparation for the workshop, Councilmembers, City Manager and City Attorney provided input about the norms set two years ago during the 2014 workshop. A confidential survey was distributed asking for each person to review each norm and indicate whether the group is following them well or whether there could be an improvement.

### Norms Discussion

Jan Perkins facilitated a discussion about norms. Several of the norms listed in Attachment A were discussed at the workshop. A summary of the results follows. The result of this discussion was that the most important norms from the group's perspective are:

***For Council/staff relationship***

- Two-way communications (monthly meetings, bi-weekly reports, other methods)
- Having all viable alternatives and all information presented to the Council. Councilmembers who think there may be additional

options other than those in the staff report will contact the City Manager on the Monday prior to the Council meeting so that staff can review the option and provide information to the entire Council before the Council meeting.

- Being respectful and agreeing to disagree at times

*For Councilmember relationships*

- Being respectful and agreeing to disagree at times
- Respecting that we all want to effectuate positive change
- Communication and dialogue
- Support decisions once made

*Discussion of communications from the public*

- City Manager responds on behalf of the Council, forwards to Council when an email is addressed to all
- If addressed to an individual Councilmember and if the Councilmember responds, then the City Manager is copied on response
- All Councilmembers are informed when an email is sent to several Councilmembers but not all

Summary Comments from Discussion of Questionnaire Results

The group discussed several of the norms based on the results of the questionnaire. Highlights of the discussion follow.

*Category A: What does Council expect from staff?*

- No surprises
  - This is important to the Council
  - City Manager meets monthly with each Councilmember and staff produce a bi-weekly report regarding department activities – both are helpful
  - Sometimes information seems like a surprise to Councilmembers
  - Councilmembers contact the City Manager when they have questions
  - City Attorney meets quarterly with Councilmembers
  - City Manager will ensure that all issues coming up are disseminated to the entire Council

- All viable options presented to the Council
  - Closed sessions and staff reports need to have all viable options included
  - City Manager asks the Council to tell him on Monday morning before the Council meeting if a Councilmember thinks there is another option that should be considered. That will give staff time to research before the Council meeting. Information will be distributed to the entire Council on the result of the research.
  - The current practice of dialogue at the Council meeting is helpful for public discourse and will continue.

*Category B: What do staff need from the Council?*

- Councilmembers not to get into minutia
  - Ideally, constituent concerns will be given to the City Manager, and the Councilmember will tell the constituent that staff will follow up
  - A problem can occur when Councilmembers stay involved in an issue
- Work through the City Manager
  - City Manager prefers this approach; he is accessible and this helps him stay aware of Councilmembers' concerns and interests
- Awareness of the City's small staff
  - Council recognizes that staff works hard and that the number of staff is small compared to other cities
- Financial information is at a point in time and changes
  - Quarterly updates provided

*Category C: What do Councilmembers need from each other?*

- No surprises
  - Similar to the previous discussion
  - Make clear when a Councilmember is speaking on behalf of the City vs. on his/her own behalf
- Communications
- Continue outside the box thinking
- Support decisions once made

## Discussion of Other Issues

During interviews with the facilitator, Councilmembers suggested two topics for discussion. A summary follows.

1. ***Discussion regarding having more joint meetings with committees and commissions***
   - Purpose is to help build relationships
   - Interest in doing this annually with Recreation and Parks, Planning Commission, Community Development Block Grant Committee
   - Possibly joint meetings between the two Commissions: the Recreation and Parks Commission and the Planning Commission

2. *Discussion of budgeting methods*
   - Concern was raised that the City budgets for 100% staffing; that staff appears to underestimate revenues and overestimate expenditures. Councilman Boysen would prefer an average vacancy rate factored into the budget, so Council is given options for allocating resources
   - Staff indicated that one time increases in revenue are put into capital fund (per existing Council resolution)
   - 62% of revenue is from sales and property tax and a consultant is used to determine revenue estimates; other revenue sources fluctuate; expenses area increasing
   - Staff indicated that the vacancy rate factor will be addressed in the upcoming budget process

## Accomplishments

A handout was provided listing a number of City accomplishments and challenges facing the City, as identified by Councilmembers.

**Recent key accomplishments**

- Great infrastructure; City has been proactive about setting money aside for infrastructure and keeping it in good condition; community is beautiful – we've kept up with streets, parks, landscaping
- Support of public safety
  - Public safety communication system is underway
  - Public safety cameras
  - Award from CHP for reducing traffic violations
  - New police station
  - Added police officers
  - Fire department is fully staffed

- New hospital – while not a City facility, it is a great asset to the community
- Great services (example: pothole filled in two days)
- Low staffing compared to other cities
- Updated an old park
- Downtown specific plan revised
- Passed Measure U almost four years ago
- Prudent budget and financial management
- Growth mitigation fee update
- Ban on synthetic drugs
- Panhandling ordinance
- Affordable senior housing project
- Revision of ordinance pertaining to commercial vehicles on residential properties
- Economic development, working with Chamber, revitalizing the downtown
- Code enforcement (e.g., weekend code enforcement, city rangers)
- Reducing water consumption
- After the 4th of July, dealt with illegal fireworks

**Factors contributing to successful achievement of the accomplishments**

The Council and staff discuss the factors that contribute to accomplishments and generating the following list.

- High productivity level of staff
- "Can do" attitude on the part of Council and staff
- Supportive City Council
- Qualified, professional staff
- Succession planning
- Consistent direction
- Solution oriented
- We're all here to improve the City
- Professional decorum
- Cooperation relationships with agencies, developers
- Receptive to community input
- Constituents trust us to do the right thing (i.e., Measure U – invest in City)
- Similar Council priorities
- Constituent driven
- Town hall meetings
- Attitude about land use policy
- Partnership between businesses and non-profits

- Focus
- Funding
- Staff teambuilding, break-down silos, inter-relatedness

**Major challenges facing the City of Santa Maria**

The group also discussed the list of challenges identified by Councilmembers that were provided on a handout. The challenges listed on that document were:

- Public safety (escalating violence, gang homicides, marijuana dispensaries, illegal immigration creating crime problems)
- Mandates from Sacramento and Washington, DC
- Homelessness
- Panhandlers who are becoming more aggressive
- Service impacts from increasing numbers of immigrants
- Blight
- Improve downtown
- Having sufficient funds for all of our needs
- High unemployment
- Not enough affordable housing
- Relationship with fire union
- Increasing pension costs; we need to set aside reserves for this
- Build reserves to be able to use for economic development incentives
- Small staff compared to other cities
- Economic development
- Employees took concessions over the past few years
- Being aware of impact of zoning changes as we approve new development
- Increased financial demands (state/federal)

## *Financial Outlook*

To provide context to the discussion on priorities, City Manager Rick Haydon gave a presentation on Santa Maria's financial outlook and staffing. The PowerPoint he presented is shown in Appendix 1.

## *Discussion of Priorities*

The afternoon session was designed to elicit a discussion on City priorities to work on during the upcoming year. The outcome of this discussion was Council consensus on priorities, which will then be reflected in the upcoming budget.

Priorities are those items on the City work plan that are the most important to the Council or essential to the community. A handout was provided listing the priorities suggested by individual Councilmembers in their interviews with the facilitator. The City Manager reviewed the status of each of the items and there was discussion of several of them.

The Councilmembers were given dots for voting. They were each given five blue dots to be placed by their highest priority items, and were given two yellow dots to be placed by two of the items on which they hope they would also see progress.

The end result was the following list. See Attachment B for a photo of the charts showing the dots.

**Highest priority items** (each of these received three blue dots)

- Reduce gang violence
- Retrofit the old library
- Increase availability of water supplies
- Economic development and attracting higher paying jobs

**Tier 2 priority items** (each of these received either two blue and one yellow or four yellow dots)

- Address inadequate City facilities, specifically a sports complex
- Reduce impact of H2A housing on infrastructure and community; engage farmers and the County
- Promote a four-year university

The Council discussed the items receiving two blue dots, which were

- Maintain fiscal health, balanced budget and strong reserves (current Council policy will be continued)
- Use CDBG capital funds for City projects (the consensus was to have a discussion of policy before next year's CDBG process)
- Address homelessness (the interest is in having policy discussions about range of homeless issues)

## *Wrap Up and Next Steps*

At the end of the workshop, participants were led through a roundtable evaluation of the day. Each person shared a comment about what he or she thought was useful from the day. The consensus was that it was helpful to have clear priorities and to have discussions between Councilmembers and staff in an informal setting.

A workshop report will be placed on the Council agenda for formal adoption of priorities.

## *Adjournment*

There being no futher business before the City Council, Mayor Patino declared the City Council meeting adjouned.

APPROVED: April 5, 2016
Date

Rhonda M. Garietz, CMC

ATTEST:

Richard J. Haydon, Deputy City Clerk

Alice M. Patino, Mayor

# Attachment A – Council Norms

The items highlighted in yellow are those that received three or more checkmarks in the column "we could do better." Those items were discussed at the workshop.

*Table 1. Compilation of Norms Survey Results*

| Statement |
|---|
| ***A. What does Council expect from staff?*** |
| Timely, accurate information |
| ***No surprises*** |
| ***All viable alternatives/options identified*** |
| Respect |
| Trust |
| Spend only short amount of time on answering a Councilmembers' question |
| City Manager to be the conduit between Council and staff |
| Information disseminated to all Councilmembers |
| ***B. What do staff need from Council?*** |
| ***Not to get into minutia*** |
| Clear and timely direction |
| No surprises |
| ***Work through City Manager or department head and let City Manager know when a contact has been made*** |
| Do not assume what is heard from line staff or a community member is the full picture |
| Ask all known questions before a Council meeting |
| Read agenda items prior to the Council meeting |
| Show trust and respect, even when you do not agree with staff or Council |
| ***Recognize staff's time constraints, knowing that staff carries a large workload*** |
| ***Recognize that financial information is at a point in time and changes*** |
| When meeting with developers, ask them to tell the Councilmember what is staff telling the developer |
| ***C. What do Councilmembers need from each other?*** |
| Respect toward everyone in how we speak |
| ***No surprises*** |
| ***No hidden agendas*** |

| Statement |
|---|
| ***Communication and dialogue*** |
| Valid information |
| ***Support of decisions*** |
| Abiilty to immediately forgive, forget and move on |
| Appreciation and understanding of the diversity on Council |
| Agree to disagree diplomatically |
| ***Outside the box thinking; no business as usual approach*** |
| Do not air dirty laundry outside |
| Develop some level of personal connections and camaraderie with each other |
| Take things we hear with a grain of salt, understanding that it may not be the whole story |
| Go directly to the person something was said about |
| Do not give opinion on an issue until after you hear testimony |
| Do not speak at City appointed boards/commissions; respect their independence |
| Respect confidentiality of closed sessions |

# Attachment B – Results of Dot Voting

Photos of the three posters containing the list of possible priorities and the results of dot voting are included below.

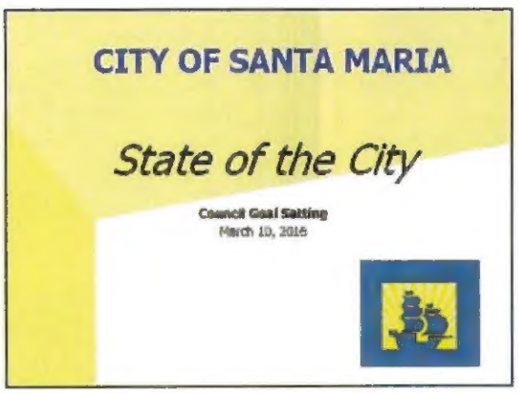
| Potential Goals | Underway Yes/No | Top Council Priority for Next 2 Years |
|---|---|---|
| 1) Public safety | | |
| ~~a) Continue as a priority~~ | ~~Yes~~ | |
| b) Reduce gang violence ●●● | Yes | X |
| c) Expand the discussion beyond police to socio-economic factors ● | Yes | |
| d) Impact of crime on the downtown | Yes | |
| e) Meet fire department needs for training, equipment, staffing | Yes | |
| | | |
| 2) Financial | | |
| a) Maintain financial health, balanced budget and strong reserves ●● X | Yes | |
| b) Identify revenue enhancements | Yes | |
| c) Determine if we will seek renewal of Measure U | No | |
| d) Reduce pension liability | No | |
| e) Create fund for economic development | No | |
| | | |
| 3) Infrastructure and facilities | | |
| a) Use CDBG funds (capital) ●● X | Yes | |
| b) Keep up with infrastructure needs (DEF. MAINT.) | Yes | |
| c) Address inadequate City facilities (SPORTS COMPLEX) ● | No | Tier 2 |
| d) Retrofit old library ●●● | No | X |
| e) Reuse of old police department | No | |
| | | |
| 4) Promote affordable housing ● | Yes | |
| | | |

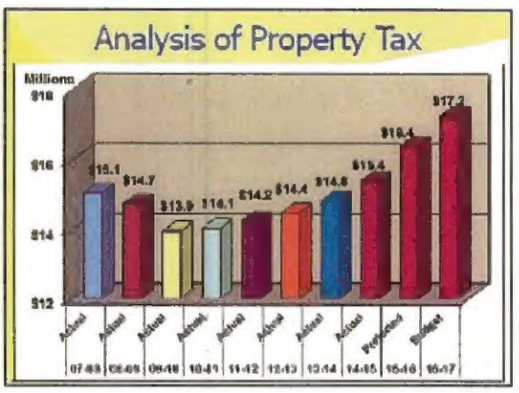
| Potential Goals | Underway Yes/No | Top Council Priority for Next 2 Years |
|---|---|---|
| | | |
| 5) Address homelessness | | |
| a) Put in a day center | No | |
| b) Obtain mental health services | No | |
| c) Create interdepartmental plan for addressing homelessness | Yes | |
| | | |
| 6) Increase availability of water supplies | Yes | X |
| | | |
| 7) Reduce blight (e.g., trash, debris, junk) | Yes | |
| | | |
| 8) Downtown | | |
| a) Downtown promotions, create activities to bring more people into the downtown | YES | |
| b) Move forward with downtown specific plan – stay on course | Yes | |
| | | |
| 9) Economic development; attract higher paying jobs | Yes | X |
| | | |
| 10) Parks and Recreation | | |
| a) Provide sufficient services | Yes | |
| b) Ensure right level of fees are charged to provide for programs | Yes | |
| | | |

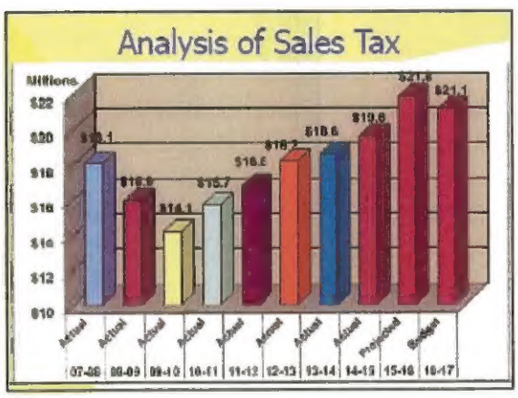
| Potential Goals | Underway Yes/No | Top Council Priority for Next 2 Years |
|---|---|---|
| | | |
| 11) Reduce impact of H2A housing on infrastructure and community; engage the farmers and County | YES | Tier 2 |
| | | |
| 12) Re-examine options for addressing parking, refuse collection areas and other issues related to apartments | No | |
| | | |
| 13) Media campaign regarding things going well in the city | Yes | |
| | | |
| 14) PROMOTE EXECUTIVE HOUSING | NO | |
| (15) PROMOTE 4-YEAR UNIVERSITY | YES | Tier 2 |

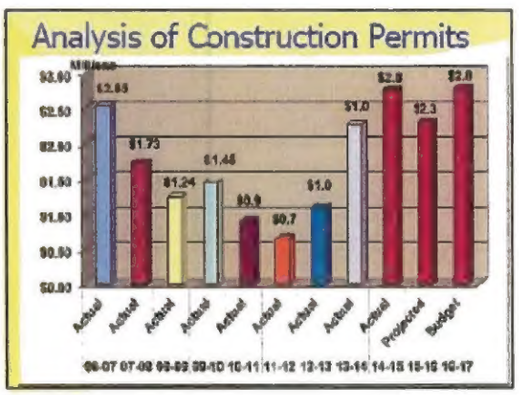
# Appendix 1 – Financial Outlook

The City Manager presented the following slides showing the City's financial outlook.



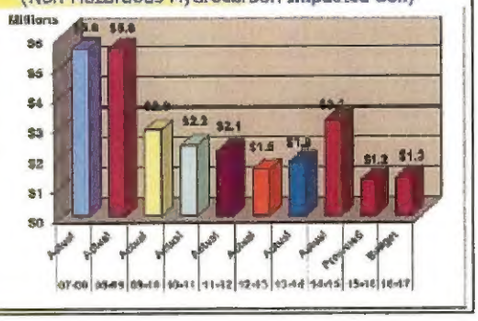



## Analysis of NHIS Revenues

(Non-Hazardous Hydrocarbon Impacted Soil)



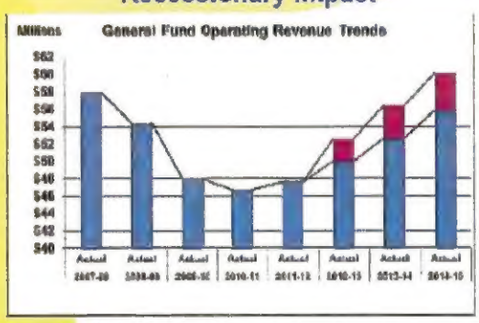

## City-Wide CalPERS Expenses

| Fiscal Year | ER Contribution |
|---|---|
| 2016-17 | $ 12,862,688 |
| 2017-18 | $ 13,924,062 |
| 2018-19 | $ 15,046,207 |
| 2019-20 | $ 16,228,841 |
| 2020-21 | $ 16,881,659 |
| 2021-22 | $ 17,574,565 |

## Comparing Major Revenue 2007-08 vs 2016-17

| | 2007-08 | 2016-17 |
|---|---|---|
| Sales Tax | $18,100 | $21,100 |
| Property Tax | 15,100 | 17,200 |
| Const. Permits | 1,730 | 2,800 |
| | $34,930 | $41,100 |
| NHIS | $ 5,600 | $ 1,300 |
| | $40,530 | $42,400 |

## Recessionary Impact



## Measure U

| | FY 15-16 Adjusted Budget | Actual 2nd Quarter | Percent |
|---|---|---|---|
| Beg. Fund Balance | $ 714,000 | $ 714,000 | |
| Revenue | $ 4,177,200 | $ 2,138,120 | 51% |
| Expenditures | | | |
| Police | 2,165,840 | 1,037,260 | 48% |
| Fire | 1,928,660 | 979,500 | 51% |
| Recreation & Parks | 162,700 | 64,060 | 39% |
| Library | 89,340 | 36,190 | 41% |
| City Attorney | 102,270 | 33,270 | 33% |
| Administration | 108,730 | 106,130 | 98% |
| Total Expenditures | $ 4,557,340 | $ 2,256,410 | 50% |
| Revenue/Expenditures | $ (380,140) | $ (118,290) | |
| Ending Fund Balance | $ 333,860 | $ 595,710 | |

## 2015-16 General Fund Est

| (Thousands) | 2015-16 Estimated |
|---|---|
| Revenues | $ 56,296 |
| Expenditures | (58,975) |
| Revenues over Expenditures | $ (2,679) |
| Transfers In | 6,512 |
| Transfers out | (3,833) |
| Net transfers out | $ 2,679 |
| Net change in fund balance | $ - |
| Ending unassigned fund balance | $ 10,123 |

## General Fund Revenues

| (Thousands) Revenues | 2015-16 Budget | 2015-16 YE Est. | 2016-17 Projected | YE Est. vs Proj. 16-17 |
|---|---|---|---|---|
| Sales Tax | $ 21,397 | $ 21,828 | $ 21,133 | -3.2% |
| Property Tax | 15,991 | 16,393 | 17,246 | 5.2% |
| TOT (Bed Tax) | 3,050 | 3,300 | 3,500 | 6.1% |
| NHIS | 1,865 | 1,200 | 1,265 | 5.4% |
| Interest Income | 500 | 500 | 500 | 0.0% |
| Construction Permits | 2,326 | 2,337 | 2,790 | 19.4% |
| Total Key Revenues | $ 45,129 | 45,558 | 46,434 | 1.9% |
| Other Revenues | 14,977 | 15,007 | 14,966 | -0.3% |
| LEAF Transfer In | 3,600 | 2,243 | 3,600 | |
| Total Revenues | $ 63,706 | $ 62,808 | $ 65,000 | 3.5% |

## 2015-16 General Cap. Proj.

| (Thousands) | 2015-16 Proj |
|---|---|
| Revenues | $ - |
| Expenditures | (2,427) |
| Revenues over Expenditures | $ (2,427) |
| Transfers In | 106 |
| Transfers out | - |
| Net transfers in | $ 106 |
| Net change in fund balance | $ (2,321) |
| Ending fund balance | $ 4,718 |

## 2016-17 General Fund Est

| (Thousands) | 2016-17 Estimated |
|---|---|
| Revenues | $ 58,897 |
| Expenditures | (61,506) |
| Revenues over Expenditures | $ (2,609) |
| Transfers In | 6,103 |
| Transfers out | (3,990) |
| Net transfers out | $ 2,113 |
| Net change in fund balance | $ (496) |
| Ending unassigned fund balance | $ 9,627 |

## Questions

## Measure U

| | Projected FY 16-17 |
|---|---|
| Beg. Fund Balance | $ 516,270 |
| Revenue | $ 4,407,000 |
| Expenditures | |
| Police | 2,208,000 |
| Fire | 1,389,000 |
| Recreation & Parks | 154,000 |
| Library | 83,000 |
| City Attorney | 104,000 |
| Administration | 109,730 |
| Total Expenditures | $ 4,652,730 |
| Revenue/Expenditures | $ (245,730) |
| Ending Fund Balance | $ 270,540 |